

CANADA'S
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DES POLITIQUES PUBLIQUES
DU CANADA

AT THE VANGUARD OF CANADIAN INNOVATION
A Compilation of Co-operative Case Studies

October 2014



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The Public Policy Forum is an independent, not-for-profit organization dedicated to improving the quality of government in Canada through enhanced dialogue among the public, private and voluntary sectors. The Forum's members, drawn from business, federal, provincial and territorial governments, the voluntary sector and organized labour, share a belief that an efficient and effective public service is important in ensuring Canada's competitiveness abroad and quality of life at home.

Established in 1987, the Forum has earned a reputation as a trusted, nonpartisan facilitator, capable of bringing together a wide range of stakeholders in productive dialogue. Its research program provides a neutral base to inform collective decision making. By promoting information sharing and greater links between governments and other sectors, the Forum helps ensure public policy in our country is dynamic, coordinated and responsive to future challenges and opportunities.

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We also wish to thank Desjardins Group, Industry Canada, Co-operatives and Mutuals Canada, and the 2014 International Summit of Cooperatives for supporting this project. The valuable input from our project partners further enhanced this report, which we believe will not only help raise awareness of the broad impact of co-operatives, but also inform future efforts to advance innovation within and outside the co-op sector.

Our Partners



Executive Summary

Building on past work around innovation, Canada's Public Policy Forum recently organized a cross-country discussion series to explore the role of co-operatives in Canada. Throughout the series, *Innovation through Cooperation*, we heard about the impact of co-ops, but limited public awareness continues to undermine the potential for further growth. As a follow-up to the series, the Forum conducted research on co-op innovations to help increase understanding of the model and provide lessons in building innovative organizations within and outside the co-op community.

Co-op case studies

Rather than an exhaustive compilation, this report features a diverse selection of co-op case studies demonstrating impact in business, community development, governance, sustainability, and technology. While the co-op business model has long been regarded as an innovation in and of itself, communities across the country are finding new ways of applying the model to meet evolving local priorities. Focused on multiple bottom-lines, many co-ops strive to be leaders in community development, environmental sustainability, and service innovation. To improve organizational performance, co-ops are also investing in capacity building and exploring different governance structures to ensure local representation. Listed below are the co-op innovations profiled in this report.

- Battle River Railway New Generation Co-operative – New generation co-op model
- TREC Renewable Energy Co-operative – WindShare and SolarShare
- First Calgary Financial – Mutual Fun: Investing in the Under-Banked
- NorWest Co-op Community Health and Coop Santé Robert Cliché – Hans Kai program
- Vancity – Resilient Capital Program
- Affinity Credit Union – Member engagement
- Gay Lea Foods – Leadership in Governance: By farmers for farmers
- Mountain Equipment Co-op – Internal carbon pricing strategy
- The Co-operators – IMPACT! Program
- Central 1 Credit Union – Deposit Anywhere
- North Peace Savings and Credit Union – Personal Teller Machines

The impact of co-op values and principles

As democratically governed organizations, co-ops ensure economic sustainability by being responsive to community needs. This balanced approach is guided by co-operative values and principles that help promote social and economic resilience. The range of issues addressed by co-op innovations highlight the role that values and principles can play in driving better outcomes across the sector.

- **Empowering communities:** The co-op business model of democratic member control provides an opportunity for communities to become their own drivers of change.
- **Fostering resilience:** Concern for community among co-ops has inspired ongoing efforts to advance inclusion, well-being, and innovation.
- **Ensuring responsiveness:** As member-controlled organization, the success of co-ops depends on their ability to meet community needs through local engagement and capacity building.
- **Embracing holistic approaches:** Committed to social responsibility, co-ops view sustainability not as a separate priority, but a driver of innovation across all aspects of their business.

- **Driving efficiencies:** Cooperation among co-ops enables the sharing of new technologies that improve service and operational efficiencies.

Key lessons in innovation

To help inform efforts to advance innovation within the co-op community and across all sectors, the Forum identified some challenges and success factors for consideration:

- **Capacity:** Establish a diverse team with complementary expertise and dedicate the necessary resources to oversee projects.
- **Patience and flexibility:** Remain adaptable as the path to innovation is often time-consuming and unpredictable, especially for large-scale projects.
- **Organizational size:** Recognize that large co-ops have access to resources but may struggle with member buy-in and change management.
- **Employee and community engagement:** Engage staff and community stakeholders in the development and implementation of new practices and services to build support.
- **Leadership:** Ensure enterprise-wide support and engagement through executive champions that can communicate a clear vision and convey organizational commitment.
- **Collaboration among co-ops and across sectors:** Find opportunities for collaboration as partnerships can provide the funding, expertise, and networks to advance innovation.

Introduction

Thriving in today's dynamic, highly competitive global economy requires a strong culture of innovation. Businesses need to come up with new ideas to drive growth and productivity. Communities need to develop creative solutions to address increasingly complex challenges. As countries around the world are working to strengthen their innovation capacity, Canada continues to fall behind its competitors across a wide spectrum of indicators.¹ Remaining complacent is not an option in the face of economic, demographic, and technological changes. To ensure long-term prosperity, Canada needs a concerted effort across sectors to create the right conditions for innovation.

Recently, the Public Policy Forum has undertaken a number of initiatives focused on advancing innovation. The Forum launched a series of multi-sector, cross-country dialogues to better understand the challenges and opportunities for Canada. In 2011, we published [*Innovation Next: Leading Canada to a Greater Productivity, Competitiveness and Resilience*](#), which highlighted the importance of leadership and collaboration. Following that capstone report, we shared perspectives from diverse contexts across the country in [*Leading Innovation: Insights from Canadian Regions*](#).

Looking beyond the economic imperative, the Forum has also explored social innovation in its various forms, including social finance and entrepreneurship. Some of the key projects include the national conference, [*Accelerating Social Innovation: Smart ideas for Canada*](#), and [*Change Inc.: Cultivating Young Social Entrepreneurs*](#), an initiative to support social entrepreneurship among Ontario youth.

Building on this body of work around innovation, the Forum organized a discussion series exploring the role of co-operatives in driving innovation across industries. Beginning in fall 2012, we held discussions in Vancouver, Montreal, Calgary, and Ottawa as part of [*Innovation through Cooperation*](#). The series brought together leaders from within and outside the co-op community to discuss the co-operative business model and potential strategies for expanding the impact of co-ops in Canada.

Throughout our discussions, we heard about the role of co-operatives in addressing community needs, but limited public understanding of the business model and the lack of awareness around the success of co-operatives undermines the potential for further growth. Despite much research on the competitive advantage of the co-op model, this work continues to happen in silos and the information tends to remain within the co-op community.

With the support of Desjardins Group, Industry Canada, Co-operatives and Mutuals Canada, and the 2014 International Summit of Cooperatives, the Public Policy Forum conducted research on innovations in the co-op sector to profile game-changing products, services, and practices. As a follow-up to our cross-country discussions, this compilation of case studies is intended to raise awareness of the co-op model and provide key lessons in fostering a culture of innovation within and outside the co-op community.

¹ World Economic Forum, *Global Competitiveness Report 2013-14*:
http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2013-14.pdf

Our approach

The selection criteria for the case studies was based on the following broad definition of innovation used in the Oslo Manual, the foremost international source of guidelines for the collection and use of data on innovation activities for industry developed by the Organisation for Economic Co-operation and Development (OECD):

“Innovation is the implementation of a new or significantly improved product (good or service) or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations.”

As most co-operatives measure their success against the triple-bottom line, we expanded this definition to include innovations that create social and environmental value. By taking a more holistic view of innovation, this research also echoes some of the key themes that emerged from our discussion series, including community resilience and social responsibility.

Rather than an exhaustive compilation of co-op innovations, our goal is to profile a select group of examples that demonstrate impact in the following areas:

- **Innovation in Business:** New tools and practices that foster resilience and enable growth
- **Innovation in Community Development:** New products and practices that support social and economic well-being
- **Innovation in Governance:** New tools and practices that improve organizational management
- **Innovation in Sustainability:** New products, services, and practices that address environmental challenges
- **Innovation in Technology:** New products and services that change the marketplace

The Forum identified a broad range of innovations through online research, consultations with key contacts in the co-op sector, and a survey of participants from the discussion series. Where necessary, the Forum also conducted interviews with co-ops to gather detailed responses to the following research questions:

- What is the innovation and how was it developed?
- What has been the overall impact of the innovation?
- What were the key challenges and success factors?
- How can the innovation be scaled up or replicated?

To reflect the diversity of the co-op community, the Forum explored a number of recent and enduring innovations across sectors and regions. As many studies already showcase creative uses of the co-op business model, this compilation primarily features innovations developed by co-ops and those with broad replication potential. Through this research, the Forum not only aims to highlight the role of the co-op business model in driving innovation, but also seeks to identify valuable lessons that will help drive greater impact across all business models.

The co-operative business model: Challenges and opportunities

From world-class soccer teams like FC Barcelona to well-known global companies such as Ocean Spray, co-operatives can be found across a variety of industries. Successfully implemented around the world, the co-operative business model is a democratic approach to economic development driven by community needs. Co-operatives are also sustainable enterprises as demonstrated by their survival rates relative to other business models and their resilience throughout the recent global financial crisis.²

In Canada, the success of the co-op movement has resulted in over 9,000 co-operatives with more than \$266 billion in assets, \$47 billion in volume of business, and 156,000 employees.³ Leading Canadian co-operatives span across regions and sectors, with Vancity and Mountain Equipment Co-op headquartered in the west and Agropur and Desjardins Group in the east, to name just a few. While the co-op model may be conducive to innovation, it also has some limitations that can present challenges for ongoing success.

An overview of co-operatives

According to the International Co-operative Alliance, a co-operative is defined as an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Co-operatives, including credit unions and mutual insurance companies, differ from other businesses in the following ways:⁴

- They are focused on meeting the needs of their members rather than only maximizing profits;
- They are democratically governed by their members, who have equal power (one vote per member although some co-ops allow multiple votes), instead of the shareholders, whose control is based on the number of shares held; and
- They redistribute profits to members based on how much they use the co-op, not the amount of capital they have invested (some variation across different types of co-ops).

In addition to the values of self-help, self-responsibility, democracy, equality, equity, and solidarity, co-operatives adhere to seven basic principles of the co-operative movement: voluntary and open membership; democratic member control; member economic participation, autonomy and independence; education, training and information; cooperation among co-operatives; and concern for community.⁵

² Desjardins Economic Studies, Special Edition: The Co-operative Movement and the Social Economy, *Perspective: Economic Analysis Review*, v. 21, fall 2011:

http://www.desjardins.com/en/a_propos/etudes_economiques/previsions/en_perspective/per1104a.pdf

³ Industry Canada, *Cooperatives in Canada in 2009*, 2013: [https://www.ic.gc.ca/eic/site/693.nsf/vwapj/Co-operatives_in_Canada_in_2009-eng.pdf/\\$file/Co-operatives_in_Canada_in_2009-eng.pdf](https://www.ic.gc.ca/eic/site/693.nsf/vwapj/Co-operatives_in_Canada_in_2009-eng.pdf/$file/Co-operatives_in_Canada_in_2009-eng.pdf)

http://www.desjardins.com/en/a_propos/etudes_economiques/previsions/en_perspective/per1104a.pdf

⁴ Special Committee on Co-operatives, *Status of Co-operatives in Canada*, September 2012:

<http://www.parl.gc.ca/content/hoc/Committee/411/COOP/Reports/RP5706528/coopr01/coopr01-e.pdf>

⁵ International Co-operative Alliance: <http://ica.coop/en/whats-co-op/co-operative-identity-values-principles>

Found across industries, co-operatives are typically categorized into the following five types based on their ownership structure:⁶

- 1) *Consumer co-operatives*: Owned by consumers who buy goods or services from them
- 2) *Worker co-operatives*: Owned and democratically governed by employees
- 3) *Producer co-operatives*: Owned by producers who collectively process and market their products
- 4) *Multi-stakeholder co-operatives*: Owned by different categories of members who share a common interest in the organization
- 5) *Worker-shareholder co-operatives*: Corporations partially owned by employees who form a co-op to gain voting shares

In Canada, financial co-ops, namely credit unions and mutuals, are legislated and regulated by separate frameworks that govern the financial sector at the provincial, territorial, or federal level. Encompassing all other sectors, non-financial co-ops operate under a different set of 14 provincial, territorial, and federal corporate statutes specifically designed for the co-operative sector. The vast majority of financial and non-financial co-ops are incorporated and regulated at the provincial level.

Innovation in the co-op sector

Recognized by the United Nations as a unique approach to addressing social and economic challenges,⁷ co-operatives have built a legacy of innovation in Canada by focusing on community needs and social responsibility. Setting the path toward better services for Canadians, credit unions have long been leaders in the financial sector, from being the first to provide loans to women and full-service automated teller machines.⁸ Co-operatives have also been trendsetters in other competitive arenas, including the retail industry, with innovations such as Gay Lea Foods' aerosol whipped cream and Mountain Equipment Co-op's responsible sourcing practices.

Exploring the role of co-operatives in innovation, the Forum's discussion series, *Innovation through Cooperation*, helped identify some of the key challenges and opportunities in the co-op sector. Common concerns include the lack of public awareness, the constraints around capacity and capitalization, the balance between growth and engagement, as well as the organizational barriers to ongoing innovation. Nevertheless, the competitive advantage of co-operatives stems from the mandate of meeting multiple bottom-lines and the ability to leverage community perspectives.

Opportunities

- *Fostering resilience*: The emphasis on democratic values and community empowerment enables co-ops to foster social and economic resilience.
- *Engaging communities*: Being member-owned allows co-ops to adapt to the changing needs and priorities of the communities they serve.

⁶ Co-operatives and Mutuals Canada: <http://www.canada.coop/en/co-operatives-and-mutuals/co-op-types>

⁷ United Nations Department of Economic and Social Affairs - Division for Social Policy and Development: <http://undesadspd.org/Cooperatives/WhatsNew/tabid/1496/news/194/Default.aspx>

⁸ Credit Union Central of Canada: <http://www.cucentral.ca/SitePages/TheCreditUnionDifference/creditunionsleadtheway.aspx>

- *Leveraging networks*: Multi-level networks can help catalyze change through the sharing of ideas, expertise, and resources.
- *Enabling long-term thinking*: Given the stability of member ownership, investments in long-term planning help contribute to business viability as all sectors are facing complex challenges.
- *Attracting talent*: The democratic, principles-based approach of co-ops offers an appealing alternative to youth and engaged individuals interested in collaboration.

Challenges

- *Public awareness*: Despite the growth of co-ops, misconceptions about their long-term viability continue to persist, especially as the co-op sector remains a relatively under-examined area of study.
- *Member engagement*: Large, established co-ops tend to struggle with declining member engagement.
- *Governance capacity*: With more communities exploring the co-op model and co-ops looking to scale up, limited governance capacity can be a barrier given steep learning curves and competition for talent.
- *Organizational culture*: Without a concerted effort to prevent a culture of complacency, the need for member buy-in can present challenges for innovation.
- *Growth capital*: While financing constraints can limit access to capital, the perception that profit is incompatible with co-op values may also serve as a barrier to building financial capacity.

The co-op sector is extremely complex, with representation across industries and diversity in governance structures. Our cross-country discussions revealed some of the challenges around branding as even the language used to describe co-ops can vary across regions, industries, and organizations. In addition to inconsistent messaging, research on the competitive advantage of co-operatives has not reached a wider audience outside the sector.

From leadership in corporate social responsibility to resilience in the face of economic volatility, the wide-ranging impact of co-operatives is the result of balancing economic, community, and environmental values. Growth in Canada's co-op sector presents an opportunity to share the success of co-operatives. In particular, profiling innovations across the co-op community can provide important lessons for fostering a socially-minded, collective entrepreneurial culture within and outside the sector.

Case studies

To highlight the role of co-operatives in innovation, the Public Policy Forum has compiled a diverse set of Canadian case studies that not only include creative uses of the co-op model, but also demonstrate the ingenuity of co-operatives across industries and regions. The information for each of the case studies was gathered through a combination of online research, direct submissions, and telephone interviews. While we learned about a number of inspiring innovations from our project partners and various leaders in the co-op community, selection was dependent on the availability of information and the interviews conducted.

The case studies featured in this report reflect some of the broader trends emerging across the co-operative sector. While the co-op business model has long been regarded as an innovation in and of

itself, communities across the country are finding creative ways of applying the model to meet local needs. For instance, new generation co-operatives are reshaping agricultural value chains, and community power co-ops are diversifying local energy sources.

In addition to innovative uses of the co-op business model, these case studies profile a number of successful co-operatives that continue to seek new opportunities to make a greater impact in their communities. Focused on multiple bottom-lines, many co-ops strive to be leaders in community development, environmental sustainability, and service innovation. Some of the common priorities include social finance, carbon reduction, and service efficiency, which are not unlike current trends across the private sector.

Another area of common concern is governance. To improve organizational performance, co-ops are also investing time and energy in capacity building, which is not surprising in light of increasing complexities. As co-ops grow in size, member engagement becomes more challenging. Larger co-ops are, therefore, experimenting with different governance structures to ensure local representation.

Innovation in business

Under the theme of business innovation, we have profiled two case studies that demonstrate how co-operatives can help ensure economic resilience and enable social entrepreneurship at the community level. From maintaining agricultural infrastructure to accelerating clean energy development, community ownership is an innovative strategy for democratizing supply chains and empowering local communities to take control of their own future.

Battle River Railway New Generation Co-operative – New generation co-op model⁹

Producer co-operative (agriculture), Alberta

As large companies increasingly consolidate services to improve efficiency, the sustainability of small agricultural communities becomes more challenging, especially with the outmigration of youth and local talent. To ensure their own livelihood, a group of determined agricultural producers in central Alberta decided to take ownership of the Battle River Railway (BRR), the local short freight line, by forming a new generation co-operative, which allows them to pool their resources to gain greater control of the supply chain.

With the cost of maintaining short line services, railway companies are cutting those services just as large agricultural companies are replacing community grain elevators with industrial silos. In 2009, farmers in Alliance, Galahad, Forestburg, Heisler, Rosalind, and Kelsey had to make a difficult decision: allow the only rail link to the west coast to be sold for scrap metal or to buy the line from CN to avoid the cost of trucking grain to corporate terminals. Given what was at stake, 153 farmers collectively raised close to \$5 million to purchase the railway and a locomotive.

By preserving vital agricultural infrastructure, BRR New Generation Co-op has been instrumental in the revitalization of rural communities. Local farmers now have greater control over the supply chain, thereby reducing their own costs of production. As owners of the co-op, the farmers are all invested in

⁹ Developed as a response to changing dynamics in the agricultural sector, the New Generation Co-operative model is defined by restricted membership, a significant investment from members, and delivery rights and obligations based on the number of shares held or the amount of capital investment contributed.

the sustainability of the short line operation, and they are able to redesign services and facilities to better meet their own needs. Continuing to rely on rail transportation instead of shifting to trucking also provides environmental benefits. Since purchasing the railway in 2010, the co-op has seen services increase and expand to a broader range of commodities.

The co-op business model was the key to success as local farmers were able to come together to support their own local economy. This democratic approach made it easier to get buy-in from the community and enlist supporters to champion the idea to other farmers. The co-op has also made an effort to hire locally although recruitment and retention remains an ongoing challenge in small rural communities. Given the regulatory complexities around operating a railway, hiring a good negotiator with specific expertise in transportation and logistics is critical. As forming any new enterprise takes time and involves many unexpected challenges, it is important to remain patient and flexible throughout the process.

Other communities are looking to BRR as a model to emulate as more branch line services face similar prospects. To expand services, BRR New Generation Co-op is exploring opportunities to transport oil, and it has started a passenger excursion service to boost local tourism.

TREC Renewable Energy Co-operative – WindShare and SolarShare

Producer co-operative (energy), Ontario

TREC Renewable Energy Co-operative is a non-profit, environmental co-op that develops community-owned renewable energy projects, provides project and member management services to community-power co-ops and educates about the importance of renewable energy and energy conservation. Established in 1998, TREC is a Canadian pioneer in community-based renewable energy development. Some of the key projects include WindShare - the first large-scale wind energy co-op in Canada, and SolarShare – Canada’s largest solar co-op, which develops commercial scale solar energy installations that any Ontario resident can invest in.

Inspired by the wind energy co-op movement in Denmark, TREC established WindShare through a partnership with Toronto Hydro. The first urban commercial-scale wind turbine in North America was erected at the Exhibition Place in December 2002 and started generating power the following year. The project was funded through start-up grants and contributions from Toronto Hydro, as well as share-offerings to over 400 members, which contributed close to half of the \$2 million required.

In 2010, TREC created SolarShare to take advantage of Ontario’s Feed-in Tariff (FIT) program, which is North America’s first comprehensive, guaranteed pricing structure for renewable electricity. Members purchase “solar bonds” invested in solar energy projects that sell electricity to Ontario at stable prices under long-term contracts. SolarShare currently has 23 operational solar projects across Ontario and almost 700 co-op members who have collectively raised almost \$5 million. SolarShare is also seeking a cost-effective process to turn solar bonds into RRSP and TFSA eligible investments.

The community ownership model used by TREC has enabled local control and engagement in the diversification of Ontario’s energy supply. WindShare and SolarShare serve as useful models for other communities and potential energy developers to consider. In fact, WindShare helped generate the momentum for green energy policies in Ontario and provided a community-based business model to drive further developments in renewable energy production.

At the forefront of a relatively young community-power sector in Ontario, TREC has experienced many challenges with project siting, government approvals, and financing. Like with any large-scale project, planning is necessary but one must be prepared for changes, expect frequent delays, and build contingencies into the budget. To manage timelines effectively, start negotiations with partners, site hosts and financiers as early as possible to confirm their commitment.

TREC has emphasized the importance of assembling a diverse team with complementary skills. For instance, the level of commitment and the right combination of skills have contributed to the success of both WindShare and Solarshare, which depend on skilled and passionate volunteers and local champions. Partnerships between private sector and other co-ops are also useful and often necessary, but relationships must be carefully managed, and it is important to complete the legal due diligence on these agreements.

In addition to its project development work, TREC has founded TREC Education, a registered charity, to carry on its education mandate, providing hands-on renewable energy workshops to youth across Ontario. In order to advance the community power sector in Ontario, TREC also shares its experience with other community energy co-ops through its TREC Services division, offering co-op development and management services and support through tools, templates, and workshops.

Innovation in community development

Co-operatives by definition are enterprises that support social and economic well-being. However, creative approaches to meeting community needs are constantly emerging across the co-op sector, presenting new opportunities for greater impact. For the theme of community development, we have selected three co-op initiatives that address local needs in an innovative way. Rather than simply relying on external consultations, one credit union is improving employee understanding of community needs to drive better outcomes. Two health co-ops have come together to promote an alternative model of health care driven by peer support rather than individual responsibility. Another credit union has developed a funding program targeting social entrepreneurs, who remain largely underserved by financial institutions and government supports.

First Calgary Financial – Mutual Fun: Investing in the Under-Banked

Consumer co-operative (credit union), Alberta

With a strategic focus on improving the financial well-being of their members and communities, First Calgary Financial, in partnership with Momentum, a community economic development organization, created “Mutual Fun: Investing in the under-banked”. This experiential learning tool provides exposure to real-life issues people living on a low income face when attempting to navigate and engage in the conventional banking system. The intention of this project was to increase employee understanding of these challenges and begin conversations around potential solutions. First Calgary Financial launched the employee workshops in 2012, and the learning tool is now incorporated into the orientation process for new staff members.

To enable employees to respond effectively to community needs, First Calgary Financial recognized the need to learn why some people living on a low income are prevented from taking advantage of their financial products and services. However, translating high-level priorities into front-line action is not easy. Familiar with Momentum’s work and expertise in community economic development, First Calgary

Financial began meeting with the local organization to explore opportunities for collaboration given the alignment of interests.

These discussions evolved into a formal partnership to identify key barriers to accessing mainstream financial services. Once these challenges were identified, Momentum designed short interactive workshops to increase employee awareness. To launch the program, First Calgary Financial developed a communications strategy, emphasized leadership support, and demonstrated some of the role-playing used in the workshops.

Based on an employee survey, 90% of program participants found the workshops to be an effective learning tool. More specifically, 89% of managers said that the workshops have shifted employee perspectives on serving low-income and prospective members. The learning tool has inspired staff to explore strategies for overcoming barriers to accessing financial services, but also to reflect on the role of credit unions in addressing issues around financial inclusion.

One of the key challenges in rolling out the program was ensuring the buy-in of managers who were already juggling multiple priorities. In launching internal programs, timing is an important consideration given that some periods of the year are busier than others. Another challenge was overcoming the powerlessness felt by some employees as many of the barriers tend to be public policy issues that are seemingly out of their hands. Nevertheless, having executive champions helps to convey a high level of organizational commitment. With leadership support, employees are more likely to participate and more motivated to find creative solutions.

These workshops have been presented to other non-profits interested in launching similar programs, but there is an opportunity to share the learning tool with other financial institutions, policymakers, and researchers to expand the impact. To promote the learning tool, Momentum has produced a brochure. The benefits of the learning tool go beyond social awareness to include greater employee engagement and empowerment, which will help drive further innovation.

[NorWest Co-op Community Health and Coop Santé Robert Cliché](#) – Hans Kai program *Consumer co-operatives (health), Manitoba and Quebec*

In 2010, NorWest Co-op and Robert Cliché Co-op launched their Hans Kai program, which is based on a community health care model developed in Japan. Focused on the impact of social networks on health, the program empowers members to form peer-led groups that meet regularly to help promote and support healthy lifestyles through awareness, nutrition, and physical activity. As Hans Kai groups are supported by health professionals but run by peers, they provide a sustainable model for community health.

Following an international co-op study tour to Japan in 2008, NorWest Co-op and Robert Cliché Co-op were inspired by the Hans Kai model to apply a similar community-based approach to health care in the Canadian context. After researching best practices, a joint steering committee began developing standardized tools and resources to enable community members to run their own Hans Kai group. The education and supports are now provided through workshops known as “health schools”, where participants learn about Hans Kai and how to form their own peer groups focused on monitoring blood pressure and blood sugar, as well as encouraging exercise and healthy eating.

As of September 2013, there are 14 Hans Kai groups in Manitoba (11 Community and 3 Workplace groups), with 89 participants (33 in Workplaces and 56 in Community). Program evaluations indicate that knowledge about health has improved among participants and peer support has made it easier to adopt a healthier lifestyle. Participants have indicated a huge benefit to mental and physical health, resulting in improved blood pressure, increased physical activity, and enhanced social support.

Some of the key challenges have included buy-in from health professionals, especially physicians, as well as group bonding without previous connections. However, changes to the health schools have facilitated better group dynamics, enabling members to continue to meet independently and manage their own health with the support of peers.

In addition to bi-annual national training sessions in Hans Kai, there is also a national network of trained facilitators who oversee content development and support one another in delivering Hans Kai in their community. The standardization of materials and the establishment of a national network provide the necessary foundation for expanding the Hans Kai model across communities and adapting the program for different populations.

Vancity – Resilient Capital Program

Consumer co-operative (credit union), British Columbia

Vancity introduced the Resilient Capital Program in 2011 to provide patient and flexible capital to social enterprises with limited financial options for growth. The program is funded through term deposits insured by the provincial Credit Union Deposit Insurance Corporation, with a loan loss reserve of \$3.5 million provided by Vancity and the Vancouver Foundation. Depositors make a guaranteed fixed return while providing loans and equity investments to community-minded non-profit and for-profit businesses with growth potential.

To ensure member awareness and access, Resilient Capital is integrated with Vancity's lending processes. A standardized worksheet helps determine the eligibility of potential enterprises based on organizational structure and culture, financing needs, and community impact. For social enterprises with proven impact but not yet ready to access this type of capital, Vancity has established a \$500,000 grant pool as a development tool to prepare them for lending or investment.

In 2008, the provincial government identified the need for a social enterprise fund to help accelerate economic recovery through social innovation. While the Vancouver Foundation received \$2.2 million from the government, the development and management of the fund would require further expertise and matching contributions. After a review of potential partners, the Vancouver Foundation decided to partner with Vancity Capital Corporation, a subsidiary of Vancity Credit Union.

The Resilient Capital Program has attracted over 23 institutional and individual depositors, resulting in a total contribution of more than \$14.5 million in term deposits. To date, the program has invested \$7.2 million through lending and equity into 18 social enterprises focused on addressing social and environmental challenges to build more resilient communities.

As a large, well-established credit union, Vancity faced internal barriers to innovation. Given the lack of experience with unconventional financial vehicles, a significant time investment was required to ensure that the program was consistent with internal policies and provincial regulations. Although bureaucratic

processes delayed program development, Vancity's size was an advantage in raising and deploying funds.

Limited understanding of social enterprises has also contributed to the underutilization of the program by account managers. To address this issue, Vancity is providing further training and improving internal communications to shift the focus from conventional evaluations to broader considerations that include community impact. However, finding eligible enterprises can be a challenge due to the relatively specific focus of the program.

Despite some of the challenges encountered, the Resilient Capital Program has attracted much attention as a potential model for replication in other jurisdictions. While many factors have contributed to its success, the program has benefited from a flexible, collaborative approach focused on a clearly defined vision. Through initial consultations with potential investors, a limited partnership model was dismissed due to concerns about the high level of risk with only modest returns and overly broad impact goals. Vancity and its partners came together to redesign the program to mitigate investment risks and offer competitive returns. To ensure accountability, they also created a private section on the Resilient Capital website to share impact reports and program updates with its investors.

Innovation in governance

Governance is an ongoing challenge for the co-op sector, especially as growth can make local engagement more difficult and board membership more demanding. As co-operatives are democratically governed, their success depends on building leadership capacity and meeting community expectations. Featured innovations under the theme of governance address these two priorities and provide potential solutions for other co-ops to explore. While larger co-ops tend to elect regionally representative boards, one credit union has introduced regional leadership councils to stay connected to local communities. With the lack of sector-specific board training, a leading dairy co-op has developed a modular leadership program available to other agricultural co-operatives.

Affinity Credit Union – Member engagement

Consumer co-operative (credit union), Saskatchewan

Affinity Credit Union's governance model is designed with member engagement and community connection in mind. The hub and spokes structure consists of 75 branches across Saskatchewan that are grouped into 11 districts. Based on the number of members, each district elects a minimum of one director to Affinity's board for staggered 3-year terms.

Members also elect a governing council in each district to provide a voice for local interests and concerns. District councils are engaged in various corporate functions, including strategic planning, serving on board committees, overseeing district nominations, and providing guidance on potential mergers and community development opportunities. Another unique aspect of Affinity's governance structure is the integration of a First Nations district composed of 10 delegates from 9 different First Nations Bands across Saskatchewan.

While local ownership and governance have always formed the foundation of Affinity Credit Union, the district council structure was established following a merger with FirstSask Credit Union and Nokomis

Savings and Credit Union in 2007. Extensive consultations with members, employees, local community representatives, and union delegates helped to ensure cooperation and successful implementation.

Affinity's governance model has helped build a sense of community across its increasingly diverse and dispersed membership. Through the district councils, community members have effective channels to communicate local priorities, and elected delegates have an opportunity to play a leadership role. This governance model also creates a large pool of potential directors who can build their leadership capacity by serving on district councils. The number of delegates opens up opportunities for greater youth involvement as well. At a time when credit unions are merging across the country, the hub and spokes structure can help prevent the loss of local voice through the integration of additional districts and delegates.

Affinity's governance model is most suitable for co-ops with a large membership base. Smaller organizations looking to grow may also benefit from considering a similar hub and spoke structure to support local engagement. Regardless of organization size, introducing a new governance structure requires strong leadership, effective communication, and a flexible approach. Affinity's success depended on cooperation and commitment at the senior level, which helped to secure buy-in from staff. Stakeholder engagement also enabled Affinity to identify concerns and build community support. Given the differences across districts, taking a flexible approach was especially critical to effective implementation as it was important for Affinity to manage different priorities.

Gay Lea Foods – Leadership in Governance: By farmers for farmers

Producer co-operative (agriculture), Ontario

As a leader in the Canadian dairy industry, Gay Lea Foods (GLF) partnered with the Canadian Co-operative Association (CCA and Conseil canadien de la coopération et mutualité formed Co-operatives and Mutuals Canada in 2014, while CCA continues to focus on international development in the co-op sector) to develop an 8-module program of training and development for directors and delegates in 2009. Leadership in Governance: By farmers for farmers is focused on increasing the level of knowledge, skills, and governance performance of directors, delegates, and management; building the next generation of leaders; and improving member confidence in the governance capacity of elected representatives. Program modules cover a range of topics that include roles and responsibilities, the co-op context, communication skills, financial governance, and board leadership. Designed with the adult learner in mind, the modules are delivered by highly experienced facilitators, using a participatory approach that combines theoretical learning with workshops and relevant case studies from around the world.

In September 2006, a number of GLF directors and staff visited the U.K. to study dairy co-operatives and agricultural organizations. Inspired by a successful governance training program delivered by the Plunkett Foundation, GLF established a Training and Development Committee (TDC), comprised of farmer-members of the co-op, to explore training opportunities for the co-operative. As most "off the shelf" programs in Canada were not tailored to meet the specific needs of co-operatives or agricultural organizations, GLF partnered with CCA. While GLF provided the majority of the funding to develop the program, the intention was to share the training modules with other co-operative and agricultural organizations, either through tailored training or open sessions that would only involve delivery costs.

Through the Leadership in Governance program, GLF has improved the level of engagement and cooperation among directors while contributing to succession planning through capacity building of

delegate-members. Post-program assessments indicate improvements across different competencies. For instance, newly elected directors are better prepared for their roles and responsibilities. Joint training of directors and delegates helps to build a sense of community and cohesion on the board. Improved capacity has also created a larger pool of leadership candidates, resulting in greater competition and higher standards for directors.

With the lack of leadership programs focused on the agricultural co-operative sector in Canada, GLF and CCA were faced with the daunting task of developing and implementing a brand new program. However, they managed to build a network of consultants, trainers, and facilitators to help guide the process. To date, GLF has expanded the program to over 14 modules, created an Advanced Program and employee programs that build on the foundational training. To expand the impact of these programs even further, GLF has offered program materials to other co-operatives and agricultural organizations.

Innovation in sustainability

As concern for community is one of the key principles underlying the co-operative business model, the co-op sector has established a strong tradition of sustainability. Although most co-ops have developed their own approach, some initiatives are more far-reaching in terms of transforming organizational culture and building the capacity of future leaders. The co-ops selected for the theme of sustainability are redefining environmental responsibility as a competitive advantage and an opportunity to empower youth to become change agents.

Mountain Equipment Co-op – Internal carbon pricing strategy

Consumer co-operative (retail), Canada

Rather than waiting for the implementation of carbon taxes, Mountain Equipment Co-op (MEC) is staying ahead of the curve by integrating carbon pricing as an internal business metric. By setting a shadow price on carbon, MEC is integrating the cost of emissions into all its operations, from staff travel to product shipping. Introduced in 2013, this strategy enables MEC to take a more systematic approach to reducing its carbon footprint and explore the costs and benefits of greener alternatives. In addition to measuring and reporting on carbon pricing on a quarterly basis, MEC is developing tools to forecast emissions and support action across all divisions.

With the Copenhagen agreement to limit increases in global average surface temperature, carbon pricing has emerged as a strategy for corporate sustainability. Recognized as an industry leader in sustainability, MEC is focused on reducing its carbon footprint by setting concrete targets. The internal carbon pricing strategy stems from this desire to prepare for future trends and stay on the cutting edge. As with any corporate initiative, CEO and board leadership has been critical to the development and implementation of carbon pricing. MEC also consulted with other organizations that have implemented similar initiatives, including Microsoft.

While internal carbon pricing has only been in place for a year, the strategy helped inform the setting of new 5-year carbon targets for the company. For instance, MEC can weigh future carbon pricing when looking at the long-term return in investments in energy efficiency initiatives or renewable energy certificates.

To truly transform business practices, this strategy depends on the commitment of all divisions. Because internal carbon pricing is still an abstract concept, organization-wide leadership is needed to ensure a high level of engagement at all levels. Organizations interested in adopting a similar strategy need to measure their carbon footprint as a starting point to determine their baseline emissions and reduction targets in conjunction with reviewing operations and vendor practices. Integrating carbon pricing also requires dedicated resources to design the framework, communicate the strategy, and collect the data. In addition to tapping into employee ideas, there is an opportunity to share best practices and advance further innovations across sectors as more companies develop carbon pricing strategies.

The Co-operators – IMPACT! Program

Multi-stakeholder co-op¹⁰ (insurance), Canada

IMPACT! is a national youth program that empowers university and college students to lead sustainability initiatives in their communities, organizations, and businesses. The Program is made up of three key components: a national conference, regional applied workshops, and funding for sustainability projects.

Funded primarily by The Co-operators, the IMPACT! Program was developed in collaboration with nine partners that include universities and colleges, student groups, co-operatives, and non-governmental organizations. The idea for this program emerged from initial discussions exploring opportunities to make a long-term social impact with a relatively small investment. Following conversations with the Ivey School of Business and the Network for Business Sustainability, The Co-operators saw great promise in supporting multi-disciplinary linkages and action-oriented problem-solving among young leaders.

The Co-operators brought together a group of interested partners to refine the vision and design a youth sustainability leadership program. Concerned that existing programs were too narrowly focused, the group developed the IMPACT! Program to bring together students from different areas of study to tackle sustainability challenges from an interdisciplinary perspective. The group became the IMPACT! Program Steering Committee, which guided the Program's direction and oversaw Sub-Committees tasked with implementing the Program.

Since the program was launched in 2009, 103 grants totaling over \$430,000 have been distributed to student alumni of both IMPACT! Conferences and Regional Champions Training sessions. Most recently, 26 student projects were initiated or expanded with \$108,808 in funding. Initiatives have ranged from a sustainability certification program for small and medium-sized businesses to projects promoting energy conservation and food security. In 2013, over 150 students attended IMPACT! Sustainability Champions Training sessions across the country. More recently, 165 student representing 60 post-secondary institutions across Canada attended the 2014 IMPACT! Conference. The network of IMPACT! alumni is now over 750 strong.

By taking a collaborative approach to developing and designing IMPACT!, The Co-operators have been able to secure a high level of commitment and cooperation from all the partners involved, which has been critical to the success of the program. However, ongoing challenges include Northern outreach and alumni engagement, which becomes more difficult after graduation. The three-year budgeting cycle typical among partner organizations has also made long-term planning for the program challenging.

¹⁰ The Co-operators is a third tier co-operative, meaning its members are federations of co-operatives and credit unions.

Opportunities to scale up the program are currently being explored by The Co-operators and its partner, The Natural Step Canada. Possible options include going virtual, shifting to a 'train the trainers' model, and broadening reach through strategic collaboration in new regions. There is great potential for additional partnerships as youth engagement and sustainability are common priorities across many co-ops and non-co-op organizations. The program could also be expanded to include specific initiatives for high school students and further supports for young social entrepreneurs.

Innovation in technology

Although larger retail and agricultural co-ops continue to invest in research and development, much of those innovations are either proprietary in nature or involve external research funded by co-ops. As this report focuses on innovations with the potential for replication, the case studies under the theme of technology showcase co-ops that have pioneered the use of new technologies that can help improve services across their industry.

Central 1 Credit Union – Deposit Anywhere

Consumer co-op (credit union), British Columbia and Ontario

In 2013, Central 1 Credit Union, along with a few other Canadian credit unions, became the first Canadian financial institutions to offer the Deposit Anywhere app for electronic cheque deposits. The Canadian Payments Association implemented changes to image capture regulations in 2012 that allowed a photo of a cheque to be used for clearing instead of the physical item.

To develop mobile Remote Deposit Capture (RDC), Central 1 worked closely with a large group of Canadian credit unions and the NCR Corporation, which was leading the development of the RDC technology at its Global Payments Facility in Waterloo. The entire process was highly collaborative as all parties worked to ensure the development of the technology was aligned to their needs.

Since the launch in April 2013, close to 200,000 cheques have been deposited, totaling more than \$300 million as of July 2014. Overall, usage is about five times higher than initially expected, and the number of credit unions offering this service continues to grow. Collaboration and support across the Canadian credit union system has enabled the successful development and implementation of this service. The key challenge was getting the project off the ground, especially considering the declining use of cheques. However, Central 1 leaders and partner credit unions decided to move forward with the idea after considering potential benefits and advantages.

Since broader adoption across credit unions, the mobile deposit feature has also been introduced by Canadian banks. With the rapid growth of Deposit Anywhere, Central 1 is examining other applications for this technology. Possible options include incorporating the technology into ATMs and using scanned cheques to open accounts. In addition, this technology can help increase access to financial services in remote communities.

North Peace Savings and Credit Union – Personal Teller Machines

Consumer co-operative (credit union), British Columbia

To improve access to financial services in remote locations, North Peace Savings and Credit Union (NPSCU) introduced personal teller machines (PTMs) in 2011. The PTMs combine the service of a bank teller with the convenience of a bank machine through video conference technology that connects members with an NPSCU representative.

In the Peace Region of British Columbia, banking services are provided by small branches separated by long distances. With much of the community employed in the oil and gas industry, regular banking hours do not accommodate the demanding work schedules. Nevertheless, the lack of population density in the region makes it hard to justify more branches.

Focused on finding a solution to these challenges, NPSCU considered different options, including the use of drive-up tellers that are widely used in the US. However, that idea was not feasible given the extreme climate in the region. After learning about the PTM technology developed by uGenius, a Utah-based software company, NPSCU decided to install PTMs in Fort St. John and Fort Nelson. Following the initial launch, NPSCU also added another PTM and opened a “smart office” featuring virtual technology in Taylor, where a community of 1,400 residents went from no banking access to personal financial services from 7:00 am to 7:00 pm, six days a week. To promote the new technology, NPSCU invested in an aggressive marketing campaign targeting staff and members.

According to survey results, PTMs and the virtual office in Taylor have contributed to higher member satisfaction and increased membership by 5.7% in the first year. Currently, average PTM usage is about 2500 sessions per month. PTMs also serve as an effective tool for marketing additional banking services to members. Combined with cheque image deposits and ATM functions, the next generation of PTMs will greatly improve operational efficiency by eliminating the need to unload deposited cheques and consolidating services into one machine.

Through the use of technology, NPSCU was able to deliver services at one tenth the cost of a conventional branch. Contrary to some assumptions about job losses, the addition of PTMs and the virtual office have increased staffing, enabling NPSCU to maximize internal talent. To ensure success with PTMs, NPSCU sent staff to the US to learn about the technology, recognizing that employee engagement has a significant impact on project implementation and member communications.

This technology can be leveraged by other organizations looking to expand their reach into remote communities. For instance, PTMs would be a cost-effective way to build on a hub and spoke business model. To ensure business continuity in the case of disasters, PTMs on trucks could also provide mobile services.

The impact of co-op values and principles

Based on the case studies featured in this report, co-operative values and principles play a key role in driving innovation. As democratically governed organizations, co-ops ensure economic sustainability by being responsive to community needs. This balanced approach is guided by co-operative values and principles that help promote community resilience.

While many factors contribute to successful innovation, each of the selected examples have been directly or indirectly shaped by co-op values and principles. From economic control and financial inclusion to capacity building and service access, the range of issues addressed by these innovations

help highlight the different ways in which co-op values and principles are put into practice across the co-op sector.

Empowering communities

BRR New Generation Co-op and TREC Renewable Energy Co-op demonstrate that the co-operative business model of democratic member control provides an opportunity for communities to become their own drivers of change, which is consistent with the values of self-help and self-responsibility. Rather than yielding to the pressures of economic competition, local farmers were able to leverage their shared interests and collective resources to preserve infrastructure vital to their economic livelihood. Instead of waiting for industry and government to diversify energy options, a group of passionate citizens worked with local partners to develop renewable energy projects supported by community investment.

In addition to community empowerment, democratic ownership has helped to build trust and ensure engagement in both co-ops as benefits are shared among all members. Adhering to the principle of education, training, and information, TREC also provides tools, resources, and services to guide other community power co-ops.

Fostering resilience

Concern for community among co-operatives has inspired ongoing efforts to advance inclusion, well-being, and innovation. To support co-operative capacity building, First Calgary Financial took the responsibility to educate its own staff about the banking challenges facing underserved members of the community. As an example of cooperation among co-operatives, NorWest Co-op partnered with Robert Cliché Co-op to launch an unconventional healthcare model based on social networks. Vancity introduced loans for social enterprises to help level the playing field for businesses focused on community impact.

By responding to social and economic challenges, all three co-ops are building more resilient communities. Aligning with the co-op values of equality and equity, both of the credit union programs are helping to improve access to financial services and supports. The health co-ops are also enabling members to take greater responsibility for their own well-being through a sustainable model of healthcare.

Ensuring responsiveness

The success of co-operatives depends on their ability to meet evolving community needs. As co-ops become larger and more diverse in their membership, they must ensure that member priorities continue to be heard and addressed. Effective co-ops rely on governance structures that facilitate member engagement and board directors with the leadership skills and the sector know-how to make strategic decisions. While governance is important for all businesses, co-operatives face the additional challenge of building community and capacity as democratic, member-controlled organizations.

With the aim of strengthening local connections to support expansion, Affinity established district councils to provide a platform for local leadership and engagement. To ensure that directors have the right competencies, Gay Lea Foods developed a co-op leadership program available to other agricultural co-operatives. Both of these innovations have contributed to better democratic governance, with improvements in member engagement and board capacity. But more importantly, effective governance enables Affinity and GLF to be more responsive to the changing needs of their communities.

Embracing holistic approaches

Committed to social responsibility, the co-op sector has been an active champion of environmentally sustainable practices. Democratic member control certainly plays a role as societal interests take precedence over profit. Concern for community is another principle reinforcing the focus on improving social, economic, as well as environmental outcomes. Guided by a values-based, principled approach, co-ops tend to view sustainability not as a separate priority, but a key driver of innovation across all aspects of their business.

Taking the initiative to drive further progress, many in the co-op sector are seeking new avenues to improve operational efficiencies and contribute to social innovation. An industry leader in sustainability, Mountain Equipment Co-op introduced an enterprise-wide carbon pricing strategy as a proactive measure to prepare for future trends. The Co-operators launched a youth program supporting interdisciplinary approaches to sustainability challenges. Reflecting a holistic view of sustainability, both co-ops are continuing to examine internal practices and external gaps to identify opportunities for building more resilient businesses and communities.

Driving efficiencies

Co-operatives, like other businesses, are constantly striving for greater efficiencies to reduce costs and improve services. Many have applied new technologies to adapt to changing expectations in the marketplace. Where co-ops tend to stand apart is in the level of collaboration involved in innovation. This sharing of innovation is particularly evident among credit unions, which have to compete with larger players in the traditional banking sector. The prioritization of member needs also ensures that co-ops adapt their services to local contexts.

As demonstrated by the examples under the theme of technology, credit unions are leading the way in service innovation. Central 1 partnered with a group of Canadian credit unions, including Meridian, Affinity, and Westminster Savings, to launch the mobile deposit technology developed by the NCR Corporation. All parties worked together to ensure that the application would align with member needs. Seeking a cost-effective alternative to conventional branches, North Peace Savings and Credit Union introduced personal teller machines to improve member access to services in remote locations with low population density.

Lessons to consider

Multiple points of alignment cross the co-op sector provide opportunities for collaboration and replication. For instance, the new generation and renewable energy co-ops can inspire other communities with the same types of pressures and priorities. The examples of social enterprise funding, youth engagement, delegate governance, and carbon pricing can help inform the development of similar approaches across the co-op sector. Innovative programs, such as Hans Kai, Mutual Fun, and Leadership in Governance, can be adapted to different contexts as learning materials are already available. New technologies like Deposit Anywhere and PTMs can also be maximized internally and shared externally to expand their impact.

To help inform efforts to scale, replicate, or adapt the innovations profiled, the case studies identify some of the key challenges and success factors for consideration. In addition to highlighting the value of the co-op business model, the case studies also provide a number of broader lessons that may be useful for all businesses seeking to advance innovation.

Capacity

A common theme across most of the case studies was the importance of building a diverse team with complementary expertise to help guide the process. While BRR New Generation Co-op required a good negotiator knowledgeable in regulations and logistics, The Co-operators collaborated with nine different partners that provided the range of expertise and networks required to design and implement an effective youth program. As demonstrated by Mountain Equipment Co-op's carbon pricing strategy, organizations also need to dedicate the necessary resources to effectively oversee the project from development to execution.

Patience and flexibility

Whether forming a new co-op or undertaking a new initiative, it is important to remain patient and flexible as the path to innovation is often time-consuming and unpredictable. This is especially pertinent to large-scale projects, such as community energy co-ops, which tend to be complicated by public opinion and political involvement. For instance, WindShare had to go through multiple layers of government approval and overcome public concerns over wind farms. In addition to building contingencies into planning and budgeting to prepare for delays, starting partnership negotiations as early as possible can help ensure sufficient time to work out the details of complex projects.

Organizational size

As with any sector, the size of an organization can enable, but also undermine, innovation. While they may have more resources at their disposal, change in large organizations can be difficult to manage given the level of bureaucracy and the various departments that must be brought on board. In the case of Vancity, risk aversion and rigorous review processes delayed the development of a new social finance initiative. Larger co-ops also struggle with member engagement and communications, which are important for innovation. To increase and improve communications with members, a number of large, established co-ops have adopted a delegation model of governance similar to the structure of Affinity Credit Union.

Employee and community engagement

Many of the case studies emphasized the impact of employee engagement on innovation as staff members play a critical role in the implementation of new practices and services. From Mutual Fun workshops to Personal Teller Machines, innovative initiatives require internal support and knowledge to ensure success. Some of the strategies identified by the co-ops include investments in training and communications, as well as engaging employees in the actual development of innovation. Community engagement is another key factor to consider. In the case of the Hans Kai program, securing buy-in from local health professionals was a key challenge for NorWest Co-op and Robert Cliché Co-op. While effective communication is certainly important, early and ongoing engagement of key community stakeholders can also play a critical role in helping to ensure broad support for new projects.

Leadership

The innovations featured in this compilation were either driven by passionate founders or championed by senior leaders. Executive champions help to convey a clear vision and organizational commitment, which is needed for enterprise-wide support and engagement. The impact of strong leadership was particularly evident in the case of First Calgary Financial and Mountain Equipment Co-op. While some employees felt that the issues addressed in their Mutual Fun workshops were out of their hands, the commitment of senior leaders at First Calgary Financial has shifted the focus toward finding solutions.

MEC's leadership was also instrumental in advancing the carbon pricing strategy as part of the co-op's broader sustainability mandate.

Collaboration among co-ops and across sectors

Across all of the innovations, collaboration was a prominent theme, from communities coming together for a common cause to partnerships within and across sectors. In addition to jointly funded enterprises and initiatives, collaboration also enables organizations to bring together the expertise, networks, and resources to effectively shape and deliver products, programs, and services. The Leadership in Governance training program was developed through the combined capacity of Gay Lea Foods and the Canadian Co-operative Association. Central 1's Deposit Anywhere service was launched in collaboration with other Canadian credit unions. NorWest Co-op and Robert Cliché Co-op worked together to launch the Canadian version of the Hans Kai program in French and English.

The various trends in innovation indicate many promising avenues for further growth and community impact. Common issues and priorities also present partnership opportunities between co-ops and across sectors. As Canada faces increasingly complex challenges with social, economic, and environmental implications, the co-op sector is well-positioned to play a greater role in building resilient communities. To take advantage of the co-operative business model as a driver of innovation, our cross-country discussions emphasized the following:

- *Engage governments to support growth*
To help advance sustainable development, engage all levels of government in the development of new approaches to scale the model, such as intermediaries and other financing options.
- *Collaborate with educational institutions to build capacity*
In addition to research partnerships, collaborate with colleges and universities to integrate co-op education into business programs and across disciplines.
- *Leverage networks to empower the next generation*
Given the diversity of the sector, build complementary networks to support the development of future leaders and new co-ops.
- *Strengthen the co-op brand to increase awareness*
Enhance the impact of co-operatives by collectively establishing a clear identity, advancing a shared vision, and seeking opportunities for engagement and collaboration outside the sector.



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